

February 26, 2024

**SUBMITTED VIA CFTC PORTAL**

Secretary of the Commission  
Office of the Secretariat  
U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: KalshiEX LLC – Market Maker Program and Accompanying Rulebook Amendment**

Dear Sir or Madam,

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), KalshiEX LLC (“Kalshi” and “Exchange”) hereby notifies the Commission that it intends to make certain additions to the Exchange Rulebook and implement a Market Maker Program (“Program”) for the purpose of promoting liquidity and orderliness on the Exchange as described in the attached Appendix A. The Program will become effective on March 11, 2024. The Program applies to all members who execute a Market Maker Agreement (“Agreement”).

Pursuant to Section 5c(c) of the Act and Commission’s Rule 40.6(a), Kalshi further notifies the Commission that, as a necessary accompaniment to the Program, it has (1) amended certain of its rules in its Rulebook; (2) amended certain provisions in its Compliance Manual; and (3) prepared a notification to be posted to Kalshi’s website regarding the Program. The amended Rulebook, amended Compliance Manual, and website notification are also attached to this letter.

**The Program’s Compliance with Core Principles**

Kalshi has identified the following core principles as most directly relevant to the Program: Core Principles 2, 4, 9, 12, and 19. Core Principle 2 requires DCMs to establish, monitor, and enforce compliance with the rules of the Exchange, including rules regarding access, contract terms and conditions, and rules prohibiting abusive trade practices. Core Principle 4 requires DCMs to have the capacity to prevent manipulation, price distortion, and disruption of the cash-settlement process, among other things, through market surveillance, compliance, and enforcement practices and procedures. Core Principle 9 requires DCMs to provide a competitive, open, and

efficient market and mechanism for execution. Core Principle 12 also requires DCMs to establish and enforce rules to protect markets and market participants from abusive practices and to promote fair and equitable trading on DCMs. Core Principle 19 requires that DCMs avoid adopting any rules or taking any actions that result in unreasonable restraints of trade.

This submission complies with these Core Principles. The Program will be governed by and administered in accordance with the Exchange Rulebook. Chapter 5 of the Rulebook sets forth rules providing equal access and prohibiting abusive trade practices. The Exchange's current market surveillance, compliance, and enforcement practices and procedures prevent market manipulation, price distortion, and other disruptions. As described in Appendix A, participation in the Program is limited to Members of the Exchange. To participate in the Program, interested Members must execute a separate Agreement with Kalshi that will describe the relevant obligations, requirements, and benefits of the Program. All participants of the Program are subject to the Exchange's Rulebook and other applicable law and regulation. The Program will not lead to any additional risk of market manipulation, price distortion, or other disruption to the market settlement process because the Program criteria for Participants qualifying for the benefits of the Program do not incentivize wash trading, manipulative trading or disruptive trading by participants, nor will the Program impede the Exchange's ability to perform its trade and market surveillance. The Program will enhance the Exchange's provision of a competitive, open, and efficient market. Finally, the Program does not place any unreasonable restraints on trade.

### **The Rule Amendment**

The amendment to the Rulebook consists of adding Chapter 4, Market Makers, along with conforming changes, as described in Appendix D. The amendments to the Compliance Manual consist of adding additional materials as described in Appendix E.

Kalshi certifies that the Program and the accompanying Amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Kalshi is not aware of any substantive opposing views expressed with respect to this filing. Included in this submission is a copy of Kalshi's Rulebook v. 1.12, which will be posted on Kalshi's website, and a copy of Kalshi's Compliance Manual v. 2.1.

Kalshi further certifies that it has posted a notice of pending certification with the Commission, along with a redacted copy of this submission, on Kalshi's website.

Please note that all confidential enclosures are submitted under a request for confidential FOIA treatment as noted on the attached FOIA confidential treatment request letter.



If you have any questions or comments or require further information, please do not hesitate to contact me.

Sincerely,  
Elie Mishory  
Chief Regulatory Officer  
KalshiEX LLC  
emishory@kalshi.com

Enclosures (due to Portal uploading restrictions, all confidential appendices are attached as a single confidential file and all non-confidential appendices are attached as a single non-confidential file):

Appendix A - Program Terms

Confidential Appendix B - Program Description and related documents

Confidential Appendix C - Market Maker Agreement

Appendix D - Rulebook (clean and track changes in one file)

Confidential Appendices E - Compliance Manual and Procedure

Appendix F - Exchange Notice

Confidential Appendix G - Exchange Notice

Request for FOIA confidential treatment